

**MINUTES OF SPECIAL CALLED MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
TUESDAY, DECEMBER 6, 2005**

SPECIAL CALL MEETING

The Redevelopment Commission of Greensboro met in special called meeting in the Plaza Level Conference Room, Melvin Municipal Building, on Tuesday, December 6, 2005 at 5:16 p.m. Commissioners present were: Chair Joe Wood, Bill Benjamin (arrived 5:20 p.m.), Nettie Coad and Jerry Leimenstoll. Dan Curry, Barbara Harris and Dyan Arkin represented the Housing and Community Development Department (HCD). Mike Williams, Esq., represented the Legal Department. Jim Blackwood, Esq., was present as legal counsel for the Commission.

Chair Wood introduced himself and had the other Commissioners identify themselves. He welcomed everyone to the meeting. He asked that anyone wishing to speak come up to the microphone, identify themselves, and give their address for the record.

1. APPROVAL OF THE MINUTES OF OCTOBER 18, 2005.

Mr. Leimenstoll moved approval of the minutes of the October 18 meeting as written, seconded by Mr. Benjamin. The Commission voted unanimously 4-0 in favor of the motion.

2. AUTHORIZATION TO MAKE AN OFFER FOR VOLUNTARY ACQUISITION OF 700 SOUTH ELM STREET.

Mr. Curry located the property on a map and gave a brief overview. 700 South Elm Street is located on the corner of Elm and Lee Streets. It is about 1/2 acre in size and is a vacant lot, zoned Central Business (CB), which ties in with the basic zoning of the entire downtown area.

This is the first acquisition for the Commission's consideration in the South Elm Street Project. In November of last year, an Optional Acquisition and Relocation Policy was adopted.

Staff had intended to bring forward blocks of properties and had initiated the appraisal work on the southernmost block where the old North State Mill Building is located because they had all of the environmental assessment reports in hand for that block. The strategy is once assessment reports for a block of properties are completed appraisals are ordered. Several months ago staff became aware that there was an interested buyer for 700 South Elm Street. Subsequent to that staff met with the potential buyer and explained where the City was in the overall planning process for this project. The buyer expressed an interest in building a freestanding convenience store on the property. Following that, they were notified that in fact a sales agreement had been executed on the property. That agreement is in the amount of \$225,000. The sales agreement indicates that, among other things, the owner has no actual knowledge of hazardous substances on the property. Staff does, however, have a copy of the 2002 environmental assessment report done by Engineering Consulting Services for this property, indicating that there are petroleum impacted soils on the site, which exceed acceptable levels. What they are not clear on yet is whether those soils would have to be remediated for the use being proposed by the buyer. The City has not moved forward with an environmental study on this site. They understood that the owner was pursuing their own environmental study. They have been waiting for that information to be submitted to the State, at which time it becomes public information.

Based on hearing that a sale was pending on the property, staff ordered an expedited appraisal so that they could bring the matter before the Commission as soon as possible. The appraiser values the property at \$200,000 based upon the sales approach given it is a vacant lot and it was appropriate to estimate income and make an income projection on the property. The reviewer recommended acceptance of this appraisal. The appraisal in its calculations does take into consideration the stigma of contamination and makes adjustments for several of the comparable sites that do not have this stigma.

Chair Wood said if Mr. Jeong already has a buyer for \$225,000, why should he accept our offer of \$200,000?

Mr. Curry said he would have the owner's Realtor, Fred Preyer, who is present at this meeting with the owner, answer that question directly. However, he pointed out that the existing sales agreement does not directly address the environmental issues on the site. It also is contingent on the buyer obtaining financing for the improvements. Staff suspects that any lending institution doing proper due diligence will discover that there are some environmental issues that do need to be considered.

Chair Wood asked how does environmental remediation factor into the sale of the property to the City.

Mr. Curry said the Commission would have some options there. The Commission may limit its exposure to known issues on this site; in other words, enter an agreement that, in effect, would provide for the City to do the cleanup up to a certain level or cleanup based on existing known conditions. Staff would like to have updated environmental information on the site. They believe that information is being prepared and maybe the owner can update the Commission on that. However, he would yield to the Commission's attorney as to what the options might be in that respect.

Counsel Blackwood said Mr. Curry had addressed this well. They can certainly do a number of things. Based on the reports we have, we are pretty certain there is diesel contamination in the soil that would require remediation at some point in time. The Commission could make an offer that says that we are aware of this condition and we agree to doing remediation at our own cost for these known conditions. For unknown conditions, they would not necessarily have to assume liability. One thing that might be appropriate at this point in time is to hear from the owner or Mr. Pryor about the pending contract and status of it before we have further discussion about where this stands and our options.

Fred Pryor, agent for Dr. D.K. Jeong, said this property had been on the market for a while. Dr. Jeong bought the property with the understanding that it had been cleaned up. He had not seen a written report to that affect and he was not sure whether it was or not. He received a call three or four months ago from Chevron, the predecessor oil company that owned the property, and they said they were going to do a report themselves. He wanted to correct Mr. Curry on one thing. Dr. Jeong has not authorized anyone to do any environmental studies on the property, but Chevron indicated they were going to do a report and he had heard no more from that. The gentleman who made an offer on the property presently operates a convenience store and just thought it was a good site. He is aware of the intent of the Redevelopment Commission. He had told him bluntly that he did not think this might fit in their proposed program and Dr. Jeong in the nicest way possible told them that also and showed them some nice pictures of some three-story office buildings and such on that corner. However, Mr. Mohammed made the offer anyway, saying these people must buy gas and groceries somewhere. So that is where they are. He was not sure what you do when you have an offer like that. He, of course, says his bank has approved his ability to buy it, but, of course, has not heard anything about the bank asking for an environmental report, which he was sure they would in that case. The final agreement was reached in October, but the earlier date on the contract is an earlier time and technically may be something that counsel may say that the examination period has expired. The earnest money check was dated 10/20/05 so that was the date he had figured was the starting point.

Dr. D.K. Jeong stated he has been a Professor of Economics at North Carolina A&T University since 1973. He was told that all the tanks had been removed and all the contaminated soils taken out and new soils put in and a monitoring well. Before buying the property, he contacted several departments in the City and was assured that building permit could be issued but that was many years ago.

Chair Wood asked that if remediation had been done and if any contamination that is there now came from a plume on another property, where does that put the legal status of this? It sounds like in Mr. Jeong's mind there has been a remediation done on this property already and he has been assured by the State that there has been a remediation. But if there has been subsequent contamination by a plume of diesel fuel from five blocks over or something else and the plume is coming this way, how does that impact this property or any other property?

Mr. Curry said he was not sure he could answer that. There is always an attempt to go back to the source and find a responsible party. But having said that, an owner that assumes ownership of a piece of land that has contamination, he thought regardless of the source, becomes part of the chain of ownership of that problem. So it is a complicated issue.

Counsel Blackwood said it was true also if there was, in fact, actually notice for remediation, normally the report that ESC did, would have revealed prior incidents cited and any remediation occurring and usually there is a "no further action" letter issued. The report from 2002 does indicate diesel soil exceeding the State limits, but there is nothing from what he had heard that indicated that there had been any prior remediation. But as far as responsibility follows the chain, if you are not the one that was responsible for it, you can have a claim, if you can prove it, against the prior owner to try to be reimbursed, but that does not relieve the present owner of the responsibility of remediation.

Mr. Curry said he wanted to talk about the work that was done in 2002. That was a Phase 1 and a partial Phase 2 Environmental Assessment and as Counsel Blackwood said in Phase 1, one of the first steps is background research of all of the regulatory records so there should have been something that popped up at that time if the site had been fully closed and he was not in any way saying that Mr. Jeong isn't correct, that there was some work done on the site, they just have not gotten to the full completion of it. But the Phase 2 environmental work that was undertaken by the ownership group for the baseball stadium was not completed. That was stopped in mid-stream. So that report did not get all the way through to completion and a full assessment of conditions and a remediation plan. They were dealing with some imperfect information here and staff has not initiated their own assessment on this site. He was glad to get the clarification. Now he thought he knew why they were having difficulty with the environmental information that they thought was underway. The owner has not initiated that; actually Chevron initiated that or maybe they said they were, but they have not actually done it.

Dr. Jeong said he had the letter where Chevron had asked for permission to enter the property and install monitoring wells and he gave them permission.

Ms. Coad asked Dr. Jeong if he were willing to accept \$200,000 from the City since the City had to deal with all the issues regarding contamination or whatever may be there?

Mr. Benjamin asked if when Dr. Jeong bought the property was there a monitoring well on it?

Dr. Jeong responded that there was and he checked with the Environmental Agency's office in Greensboro and they had all the records and maps and they had records of the elimination of soil. At that time he was told this is very low-grade contamination, so he was told that when you contact the City, they were sure the City would issue the permit. That was why he contacted the City.

Chair Wood asked Dr. Jeong when he was contacted by Chevron? Dr. Jeong said it had been less than a year ago.

Mr. Benjamin asked if Dr. Jeong had granted permission for anybody to test the soil back in 2002? In other words, the folks that came were possibly interested in buying it for the baseball stadium. Did you let them test the property then?

Dr. Jeong said he did.

In response to a question from Chair Wood, Mr. Curry said staff's recommendation is that the Commission consider the appraised value and make any adjustments that the Commission sees fit based on the information submitted.

Counsel Blackwood said the Commission could not make an offer unless it included the provision that it was subject to having a release by the buyer terminating and nullifying that prior contract.

Chair Wood moved that the Commission go into Executive Session to discuss this matter with the Commission's attorney. He had some questions that he wanted to ask. Mr. Leimenstoll seconded the motion. The Commission voted unanimously 4-0 in favor of the motion.

The Commission went into Executive Session at 6:02 p.m. and came out of Executive Session at 6:19 p.m.

Chair Wood announced that the Commission was now back in regular session and everything that is said is now on the record.

Mr. Pryor said Dr. Jeong had given him a letter from B.B.L. Environmental Services, addressed to Dr. Jeong, dated August 8, 2005, requesting permission to install ground water monitoring wells at the former Gulf Oil-Chevron No. 204224, 700 South Elm, etc. This is the letter from Chevron Properties, preparing to install one ground water monitoring well at the property. The work is being conducted as part of the assessment activities required by NCDENR, North Carolina Department of Environmental Services. Then it says it is going to plan well drilling activities scheduled to begin September 15, 2005. Once the well has been completed, they will put on a concrete pad and give the details about it. This is all about the well system they are doing and they request your signature on the application to permit construct monitoring well, self-addressed envelope, etc., and then they include the wells. Apparently there were a number of wells on that site because it shows eight wells that were closed and one new monitoring well that they proposed to install. They said this would be done at no expense to Dr. Jeong. Dr. Jeong said after he came back from a trip, he contacted Chevron and asked what if Chevron finds something wrong, then who would be responsible for clean up? He was told not to worry, that would be Chevron's responsibility, not your responsibility. He was assured of this several times by Chevron. He said the Commission could copy this letter if it desired.

Mr. Benjamin told Mr. Jeong and Mr. Pryor that they went into their closed session and came up with a decision on what they would like to do. He said the Commission is willing to offer \$225,000 and the Commission will take it subject to the known existing environmental issues and what the Commissioners need to make sure they are clear on is that there are no other claims, such as the gentleman who has got this other contract. So what the Commission would be looking for is to have a complete release and acknowledgement of a termination of this agreement. That is what the Commission is willing to extend and you have time to think about that.

Chair Wood said regardless of what Chevron might find, the Commission knows from the assessment it already has that diesel contamination is in the soil. So as part of the Commission's offer, it is willing to assume the responsibility for cleaning that up at our own expense. What Chevron does with the ground water is totally separate, but we know that there is diesel contamination in the soil. As part of the Commission's offer, it is willing to assume the responsibility and the cost for cleaning that up.

Mr. Benjamin said the motion would be that and the Commission will have a contract drawn up that would have lots of other provisions, but that is basically dollars and the concept behind it.

Chair Wood said they were making a motion to offer Dr. Jeong \$225,000 for the property known as 700 South Elm Street. We are also agreeing to assume the responsibility and cost for any known environmental contamination, which will include the diesel in the soil as was disclosed in the 2002 ESC report and also that this is subject to Mr. Jeong obtaining a release from the current buyer to hold the Redevelopment Commission harmless in the matter. Ms. Coad seconded the motion.

In response to questions, Chair Wood said the Commission would take responsibility for all the known environmental problems. Any costs associated with cleaning up the diesel contamination, we are willing to assume because that is in the 2002 report that ECS has already issued. So if there are any other problems besides that, the Commission is not willing to accept that responsibility.

Mr. Pryor said if you find something that is objectionable and if it is something that Chevron would not clean up, does that terminate this agreement with the City?

Mr. Benjamin said the Commission might find it is a binding contract and we would be looking for some sort of remediation and we would be coming back to Mr. Jeong to pay for it. But somewhere that risk is the same risk that he had with the buyer he already has. He thought it would be very easy to show that there would be something that he either knew or should have known was out there. All these wells have been out there a while and there has been enough inquiries made. So he thought Dr. Jeong was already pregnant with the problems with this contract and he thought the Commission was relieving Dr. Jeong of a number of those problems because we are willing to take on the one that is most significant and may turn out to be the only one.

Dr. Jeong said he understood the Commission's position since it was dealing with taxpayer money. Even though he would be receiving \$225,000 for the property, he would constantly be worried about the possibility of other contaminants hanging over his head.

Mr. Curry said if the Commission goes ahead and votes to make this offer, starting tomorrow staff is going to start talking with their environmental consultant who is going to talk with Chevron's environmental consultant. Staff is going to try and get to the bottom of this fairly quickly so the unknowns become knowns real quick. This is not something that is going to be unknown for years. They are going to try and work through this process in the next 30 days or however long it takes for all the various environmental folks to get their information together.

Dr. Jeong said he appreciated his explanation. Dr. Jeong asked was he correct in understanding that this would be done before the sale would be consummated with the City?

Mr. Benjamin said they would move on with having the contract consummated and then from that have a termination provision in the event that additional costs exceeding \$25,000 were discovered.

Mr. Benjamin asked why did they not change the proposal and say that the Commission reserves the right to do an inspection. As a result of doing an inspection at our cost, if we find that there are things

outside of the known exceed \$25,000, then the Commission will go back to the seller and give them an option to terminate the contract or renegotiate.

Dr. Jeong said he felt that was fair and a good solution.

Chair Wood asked the Commissioners to vote on the compromise agreement. The Commission voted unanimously 4-0 in favor of the compromise agreement.

3. 326 and 328 EAST LEE STREET

Ms. Harris said the information the Commissioners have is what was submitted by Mr. Defrietas' attorney in early November. It is basically renderings of what the property should look like after the rehab work. Staff requested additionally an itemized work list, project budget and evidence of the owner's ability to finance the project. Those are the items that were hopefully provided for us today.

Mr. Benjamin said he would need to be recused from discussion or voting on this matter since he and Ms. Johnson-Tonkins were members of the same law firm.

Chair Wood moved that Mr. Benjamin be recused from discussion or voting on this matter, seconded by Ms. Coad. The Commission voted 3-0-1 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin.)

Lisa Johnson-Tonkins, Esq., 101 West Friendly Avenue, said it looked like the cost of the renovations that have to be made, based on what Mr. Defrietas has already done, is \$65,000. Mr. Defrietas has indicated that he has a source of funds from a private source. The gentleman's name is Mr. Ghattan and he is actually here today. He is the owner of ??? Auto Sales and he has loaned Mr. Defrietas money in the past and based on that particular relationship, he is willing to extend a loan to him up to \$70,000. The \$65,000 renovation cost looks like it takes into account about a \$9,900 kitchen, so we do not expect it to exceed \$65,000, but Mr. Ghattan has indicated that he would be willing to loan him at least \$70,000.

Ms. Johnson-Tonkins said the Commission requested a budget and then it was a detailed description about the plans that he was planning to make. She said Mr. Defrietas had been working on that and he indicated he thought he could get that to her by Friday.

Ms. Johnson-Tonkins was asked if Mr. Gravely was still involved? She said she had played telephone tag with him for a while, but she was not sure what their relationship is at this point. She couldn't really speak to that. She had made several attempts to contact Mr. Gravely to no avail. She had left several messages. She did know that he had submitted the information that she had submitted in early November. He did submit that to Mr. Gravely and Mr. Gravely looked at it and she did speak to him at that point before she submitted it to the Commission and he indicated that it looked okay to him.

Ms. Harris said this packet was received November 7, but staff needed the estimates and she thought those were coming directly from the architect and tied to the plans that the architect was working on.

Ms. Johnson-Tonkins said she was under the same impression, but Mr. Defrietas just brought those to her today so she really had not had a chance to look over them, but she did want to submit what he had brought to the Commission so that the Commission could see that he had tried to do his due diligence with respect to this property.

Mr. Curry said staff needed time to look at the budget information. His gut reaction is it is a relatively low

budget for the amount of work that appears to need to be done on this house, which does not mean that you cannot accomplish this, but what it means is there is a significant amount of value that you are plugging in here for work that you are doing yourself or through some way other than hiring a contractor. Based on what staff sees out there, if you had to go out and hire a contractor to do all this work, you would probably be looking at a budget much larger than this. So we are making the assumption that Mr. Defrietas is doing a good bit of work, a lot of labor himself to make this budget work.

Ms. Coad asked if Mr. Curry thought Mr. Defrietas should put some labor figures in there?

Ms. Johnson-Tonkins said that in speaking with Mr. Defrietas, he had indicated that the cost, especially with respect to the electrical and plumbing, he had estimates for those and was not actually doing that work himself. The plumber gave Mr. Defrietas the figures to complete the plumbing costs and Jack's Electric gave him the figures to complete the electrical costs. So she would probably say those were real numbers with respect to the plumbing and electrical, not to say the other numbers are not real numbers, but those did come from subcontractors that he had actually hired. It is her understanding that the electrical and plumbing have already passed as of October 23rd of this year. So it looks like a lot of it has been done. He has just got to finish up some things with respect to the electrical and plumbing. With respect to the exterior, she actually went by the property this morning and it looks like they have been putting up siding and have cleared off some of the property so it is not as much of an eyesore as it has been. It looks like he has put in windows and doors so some of the items that she was noticing, such as costs in here for additional windows and doors. He has actually put those items in.

Counsel Blackwood said he would like to clarify something. His basic understanding of this whole situation is that Mr. Defrietas was to submit plans for renovations, specifications, and documentation of some sort that he would be able to accomplish it. We would then be willing to consider not acquiring this property. But this whole process has gone on with appeared to him to be piecemeal and he knew we had a discussion this summer and he voiced his concern about not having things to be done that we then might find unacceptable and Mr. Defrietas has incurred expenses on the assumption, which he did not want him to have, that we would approve things. As far as he was hearing, the Commission has not approved things, but he is still proceeding with the work. He would try and voice his concern and make it very clear that not having approved work, raises the risk that monies are going to be expended that may not be recovered, if the Commission cannot accept what Mr. Defrietas is doing. He believed he was correct in saying what has been the position of the Commission regarding Mr. Defrietas' property and his efforts. He did not want there to be a misunderstanding about that, because he hears that work is still going on and we are still looking for plans , etc to review and we have not signed off, basically saying that we have accepted the work and we have intentions of acquiring the property. He asked if he had correctly stated the facts?

Chair Wood and Mr. Curry said he was absolutely right.

Counsel Blackwood said that was his concern and he would rather Mr. Defrietas not do anything, get the documentation and everything here and then let us enter into an agreement that basically gives him a time table and says we have approved all these things. If he does all these things, we are not going to be acquiring his property. Then he would have the Commission's approval to go ahead and move forward with those renovations. But he really did not want Mr. Defrietas to move forward doing things when we have not given that approval.

Ms. Coad said basically the request they had last meeting was that staff receive a copy of the plans, the cost estimates and financial strategy for the project. Basically all the Commission is asking for is what are the plans for this property and the budget?

Clarence Defrietas, 3406 Canterbury, said what he had brought here is what they asked him for. If it were anything different, he would like to correct it. But he had brought in the plans, what the carpeting was going to look like. They are saying it is an eyesore and that he could not fix it up.

Ms. Coad said all Counsel Blackwood was saying and all she is saying is that a couple of weeks ago, he could have just come in and sat down with staff, and said, "Here's where I'm going." So then staff could be reporting for you here. You might not even have had to take your time out and Ms. Johnson-Tonkins either to come up here. The arrangement they made was if Mr. Defrietas had someone who could speak up for him, help him and approve his plans and let him know if there were any suggestions staff could make. Staff is not there to tell you what you have got to do, but to help you do what you are doing better.

Mr. Leimenstoll said the Commission needed to know what you are going to do and what it is going to look like. The Commission needs to know how much it is going to cost in realistic terms and then what is your strategy for making sure that you have executed that. To his understanding, this piece of information was presented on November 7th, which is basically the date that was agreed to at our last meeting. However, he did not have anything in front of him that tells him what the budget is.

Ms. Johnson-Tonkins said that was what he brought today.

Mr. Leimenstoll said Mr. Defrietas continues to do construction work. You have not received approval from us that once you do completion of this work, we can accept what you are doing because the staff did not have the necessary information completed.

Mr. Defrietas said when the last meeting was postponed, he said he wanted to bring it to this meeting and that is what he did.

Mr. Leimenstoll said that was not enough time. Mr. Curry said staff preferred to have information two weeks prior to the Commission meeting so that they will have time to look at the information and communicate back and forth before they actually put the meeting agenda together. Staff would like to have the full package to look at, if there is a set of plans of what you are proposing and so on. Mr. Leimenstoll said it was very clearly stated that you cannot come into a meeting of the Commission, present information to the Commissioners, and expect the Commissioners to respond to it. We can't do anything with that information tonight because our staff has not had a chance to review it and make recommendations. So once again, we are going to have to put this off until the next meeting. He also advised if construction is continued, he was further jeopardizing himself.

Counsel Blackwood said he was not an architect or contractor and he does not do the things that staff does, but normally from these he could just tell Mr. Defrietas he needed to almost go room by room on the interior, saying what is being changed, renovated or replaced or added. It is like a work write-up and the specifications about what is going in. These appear to be pictures, he assumed, of the existing building. There would need to be some type of work write-up or specifications. Obviously you are doing something to the exterior appearance. Staff needs to be able to see that too. He said he was a lawyer and Mr. Leimenstoll could speak a lot better about what really is needed as an architect, but those are the type things that staff needs to see to be able to determine if it shows them, as best as possible, numbers and things to be done and the pictures, what it is supposed to look like when it is finished. And then the budget is really kind of what it is going to cost and the fact of whether or not you will be able to do that.

Ms. Johnson-Tonkins said she knew there was a lot more that needs to be provided, but with respect to what has already been submitted, it was not her understanding that additional information with respect to the plans needed to be provided, but just the financials and how he was going to get there. One of the

things that she was trying to do was to contact Mr. Gravely's office and stay in contact with him. He had indicated that he got the things and that they were going to meet and work together to try and come up with a budget. In a letter that she sent to Ms. Harris and she thought Mr. Curry, which was a follow-up letter to the information that they received on November 7, she thought she saw Ms. Harris in the courthouse courtyard and she had indicated that she needed the financials. So she went back and tried to get that information prior to this meeting. She thought that Mr. Defrietas did come in today with the financial information and she knew that there had to be an actual written plan and that was her understanding as to what the additional information that was needed. She was willing to try to meet the needs of the Commission. The only thing that she knew, from her understanding, that was missing were the detailed plans with respect to how they were going to accomplish things, like what the exterior would be, bullet points about what needed to be done on the exterior. Bullet points on what needed to be done in the interior; bullet points with respect to the plumbing, electrical and so forth.

Ms. Coad said what Chair Wood means by "our approval," he means the specifications as required by the Building Codes. It is not what we want, but there are some rules you have to follow. When you went and got your building permit, there are certain guidelines you have to meet. And all we are saying to you is if you would work with staff, they can help direct you to what you want to do. If you had come up here two or three weeks ago and said, "Here is what I've got," and if something was missing or failing, they could have helped you know how to go back and get what it is you need. So all staff is doing is offering support and help for what you want to do. It sounds like people are fussing at you when you are out there trying to make a beautiful house and you want to know why everybody is on your back, it is because when you apply for a building permit there are certain things that you have to do to meet certain conditions, as required by City Code.

Chair Wood said this house being in a Redevelopment Area, there are certain conditions that are imposed upon all renovations by the Redevelopment Commission that must be met, in addition to the regular workings of the City Code.

Mr. Curry said they can meet with all the parties involved here and bring our rehabilitation specialist in and get on the site, go through this work list item by item, and try and clarify all the items are supposed to be done. Staff has some questions about the exterior drawings and they need to work through those in terms of what is the end product going to actually look like. He thought the missing piece then will be a time frame that Mr. Defrietas can propose to this body that you are going to complete this work within and getting some evidence of the financing is in place to do that. But at least with this work list, he thought staff now did have something that they can sit down and go through in detail and then bring our rehabilitation experts in and try and help get this thing where it needs to be. He said staff could probably do that as early as next week. They still thought Mr. Gravely was helping prepare some more detailed plans so maybe that is staff's mistake for making an assumption that just was not happening. He thought with what they had here, he was not entirely sure that they needed another whole set of plans. Staff may be able to interpret what they have here in these drawings with some notes and some conversation that they can get enough understanding of what is happening here. He said all he could say was staff would do their best to bring a better package to the Commission next month.

Mr. Leimenstoll moved any further action as to 326 and 328 East Lee Street be continued until the next monthly meeting of the Commission. Ms. Coad seconded the motion. The Commission voted 3-0-1 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin.)

In response to a question from Ms. Johnson-Tonkins, she was advised that the next meeting of the Commission would be January 17, 2006, at 5:00 p.m.

5. UPDATE FROM STAFF ON HUD-FUNDED CONDEMNATION ACTIONS.

Mr. Curry said he would give a quick overview for the Commission as this really does not impact anything immediately. You have probably been aware of things that are going on at the national level as a result of primarily the Kello case regarding the ability of cities to use Power of Eminent Domain to do the kind of things that we do. There are a lot of different actions that are being contemplated by our Congress regarding changes in what cities can and cannot do.

Congress has already approved the funding allocation for next year for our budget that would start July 1st of 2006. They have inserted into that, which affects our Community Development Block Grant and Home Program funds that we use for some of our neighborhood development work, a one-year provision in effect preventing cities from using the Power of Eminent Domain for economic development activities except in cases of eminent public health and safety issues. So it is not completely clear how these things are defined and staff is actually asking for interpretations. But he just wanted the Commission to be aware that as you may read about various initiatives at the Federal level that Congress has taken one official step. They have fully approved next year's budget and placed that amendment in there. He understands that it is only a one-year provision and in next year's funding they will do something different, either more or less stringent. But it does have the potential to impact us. He said he wished he could tell them exactly how deep an impact it will have, but he really does not have a feel for it yet. We do not end up in court litigation over Eminent Domain that often. But when we do, this may in some way at some point impact some of those proceedings. He said staff would keep the Commission posted.

Chair Wood said at some point it will be time to start assembling a budget. If we are truly going to look at amending the Ole Asheboro Plan, when do we need to start thinking about whether or not we want to consider some other acquisitions or are we going to continue to work with the code for awhile and see if that takes care of some of these 10 or 12 houses that are a problem in this particular neighborhood. At what point should the Commission start thinking about possibly amending the Plan to at least have that option on the table to have somebody thinking about it for the next fiscal year.

Mr. Curry said to have impacts on budgets for the next fiscal year, staff starts putting those plans together in January and February. Staff would like to have some response back from LOE in terms of the specific houses that they are reviewing at your request before staff does anything formal. Staff will try and bring that information back at the next meeting.

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There being no further business before the Commission, the meeting was adjourned at 7:24 p.m.

Respectfully submitted,

Dan Curry, Assistant Secretary
Greensboro Redevelopment Commission

DC/jd.ps.